

NSC BRIEFING

5 August 1959

CEYLON

- I. Neutralist Prime Minister Bandaranaike's government has weathered two critical votes in Parliament since 8 July, but remains in precarious position.
- A. Bandaranaike's one-man majority has held together despite repeated attempts by opposition conservatives to purchase enough defections to topple government.
- B. Next parliamentary test, which may take place any time when opposition presses charge of rampant corruption in government, may strain Bandaranaike's support to breaking point.
- C. Preoccupation with political infighting has prevented government leaders from making a serious effort to improve economic conditions, particularly rising prices and growing unemployment.
- II. Bandaranaike's unusual firmness in dealing with recent wave of leftist-led strikes has reduced threat from this direction.
- A. Ceylon's major leftist organization--a Trotskyite party--has suffered serious setback as result of strike failures, but retains strong potential.
- III. Conservative groups probably still weighing various plans for coup action, but none appears ready to act in near future.
- A. Military and police commanders suspended planning in mid-July, feeling that with settlement of strikes they lacked sufficient justification for action.

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- B. Even though hanging on, Bandaranaike regime is generally ineffective and plotting against it likely to intensify.
- IV. Although Conservative groups might be able to seize control, it is doubtful they would be able to establish stable government unless they get cooperation from a major political party or popular political leaders.

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